

BRAD LITTLE GOVERNOR

April 3, 2019

The Honorable Janice McGeachin President of the Senate Idaho Legislature Boise, ID 83720

VIA HAND DELIVERY

Dear Madam President,

I hereby advise you that I have transmitted to the Office of the Secretary of State, with my approval, the following Senate Bill, to wit:

S 1180

within the time prescribed by law, the same having arrived in the Office of the Governor at the hour of 11:10 a.m. on March 28, 2019.

I agree with the spirit of this bill—that we have a moral obligation to support public education and to ensure every dollar spent on education is used effectively. I also believe we have a moral obligation to protect the financial stability and soundness of all public institutions, especially public education institutions.

In my consideration of this bill, I had concerns that the bill may implicate Idaho's constitutional prohibition on long term indebtedness found in Article III, Section 8. I chose to approve the bill because I concluded that the obligation of the state to appropriate funds in the case of a default is not mandatory, is at most a potential liability, and can only occur if funds are available in that year, the legislature appropriates such funds, and the Governor approves that appropriation.

I will be closely watching and expect to see the mechanisms within this bill strictly followed. I expect the Idaho Housing and Finance Association (IHFA) to rigorously enforce the high standards for qualifying into the public charter schools facilities program. IHFA must also strictly oversee the requirement that public charter schools approved and participating in this program deposit and maintain a minimum of twelve months of principal and interest payments in a restricted debt service account, held by the bondholder or trustee.

All involved must also closely monitor the public charter school facilities program fund, which serves as another backstop in this process. The treasurer will have the ability and the obligation to ensure public charter schools within this program are properly depositing their required fees into this fund.

Further, additional analysis and law may be required, in consultation with the State Department of Education, to ensure the intercept provision is consistent with current state fiscal practices.

Please be advised that if each of these mechanisms are not strictly followed, I will not support any additional appropriations from the state into the public charter school facilities fund.

Thank you for considering this letter and for your continued support of public education in Idaho.

Sincerely,

Brad Little Governor of Idaho

Cc: Secretary of State